

**PSC STAFF FILES COMPLAINT AGAINST LACLEDE GAS COMPANY
IN ST. CHARLES GAS INCIDENT**

Jefferson City (October 13, 1998)---The Staff of the Missouri Public Service Commission has filed a complaint against Laclede Gas Company in connection with a natural gas incident which occurred at 401 Pralle Lane in St. Charles, Missouri on March 17, 1998. The natural gas incident involved a copper service line. The single-story residential home suffered structural damage as a result of the explosion and fire. There were two people injured.

According to the complaint, the PSC Staff alleges Laclede Gas Company violated Commission rules by failing to conduct the required six and one-half month recheck leak investigation on a Class 3 leak that had been detected on the service line to 358 Pralle Lane in May of 1997.

The Commission requires natural gas utilities to classify leaks. The most hazardous leaks require immediate repair. Less hazardous leaks require regular monitoring.

PSC rules state Class 3 leaks are those that do not constitute a hazard to property or to the general public but must be repaired within 5 years. They must also be rechecked twice per calendar year, not to exceed six and a half months, until repaired or the facility is replaced.

According to the Staff complaint, Laclede's leak investigation records revealed a customer odor notification was made by a resident of 401 Pralle Lane on May 19, 1997, that resulted in a serviceman responding to the address. The serviceman's work order indicated a Class 3 leak was detected and that a leak ticket was made. Staff alleges in its report that the leak ticket was either lost or misplaced and as a result, the six and a half month recheck, as required by Commission rules, was not conducted. A natural gas incident occurred on March 17, 1998 at 401 Pralle Lane.

In its complaint, the PSC Staff has asked for Commission authority to go to circuit court to seek penalties against Laclede Gas Company.

According to the PSC Staff report, the probable cause of the explosion at 401 Pralle Lane was the ignition of natural gas that had migrated from a leaking section of copper pipe line serving 358 Pralle Lane. Active, but localized, corrosion deteriorated the copper pipe wall over a period of time,

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creating an approximate 1-inch long canoe-shaped cavity near the connection of the copper service line to the 2-inch diameter main; the same approximate location of the leak identified and classified by the Laclede serviceman on March 16, 1998, when Laclede received an outside gas odor report from a resident of 401 Pralle Lane.

On March 16, 1998, the Laclede serviceman identified a leak within the yard at 401 Pralle Lane. The serviceman identified it as a nonhazardous leak; one requiring repeat leak investigations until repaired. This leak was in the approximate location as the leak previously identified by Laclede on May 19, 1997.

The PSC Staff report indicates that the presence of dissolved salts in the soil (most likely de-icing salts to melt ice and snow on road surfaces) contributed to corrosion of the copper service line.

Another natural gas incident involving corrosion occurred on a Laclede copper service line on March 13, 1998 at 732 Bergerac Drive in Creve Coeur. As a result of the Bergerac Drive and Pralle Lane incident investigations, the PSC Staff will ask the Commission to open a case to address Laclede Gas Company's copper service line replacement program and annual leak surveys.

The PSC Staff report on the 732 Bergerac Drive incident did not allege any violations by Laclede.